

Mr. LINDBERGH. Mr. Chairman, the greatest problem of every person is the question of self-preservation and how to make the best use of himself. No selfishness is implied in that: for to enable a person to be useful beyond his own necessities he must primarily attend to his own proper equipment, which includes proper food to eat, clothing to wear, material with which to work, a brain to direct his work, and work to do. Briefly, that equipment is the individual industrial life of each person, and to meet that we all encounter the problem of the cost of living.

There was a period in the world's history when people could go on the waters and lands without generally finding them encumbered by previous individual ownership or occupancy and secure food to eat, material for wear, and places for shelter. Within the memory of many now living that condition existed in a general way. I practically enjoyed this privilege myself in my boyhood days back in Minnesota, where my parents settled. I had the undisputed right to gather wild nuts and fruits, to trap and hunt fur and food animals and birds, and to fish in the lakes and rivers; and had my parents not previously possessed themselves, under the free-homestead laws, of a home that was mine, too, I could, had my age permitted, have taken any of the unoccupied land, and most of it was then unclaimed. I could have secured for the mere taking the timber with which to construct a cabin. A tool or two, with a couple of panes of glass, and the free use of clay, stone, and earth, would have supplied all that was necessary to make a comfortable home, with a fireplace which would put to shame any of our fire grates of to-day, some of them costing thousands of dollars.

But now the day of having things for the mere taking is no longer a legal right, and unless we already have them by some special means or gift of the past, we can not take them, and so as most of us have no inherited property, we must seek it from those who have.

We can not now get even a tool to use, a piece of ground on which to work, or material to work with, except by consent of some one who is in previous possession.

In the beginning the raw material was to be had practically for the taking, and the value of labor expended in making it into finished products was its principal cost. But now the raw material is all appropriated, and its control is in limited ownership. That makes it practicable for monopoly to charge for the raw material a price that has comparatively little relation to the labor required to make it into finished products. Those with the material are called capitalists, and the rest of us are called laborers, and we now are exchanging with each other because all of us are consumers. At present those who have the capital are taking advantage of our necessities and charge by the measure of our need rather than by the relative material value to what we have to offer in exchange.

We are young and strong only part of our time, but should be intelligent all the time. These qualities we inherit and by all laws of nature should be sufficient, if we properly apply ourselves. But we find them dangerously encumbered by unnatural social conditions. Most of our time is occupied in providing the necessities of life.

By our work we produce. If we would, in the control of our energies, use our mental endowments with the same degree of intelligence and with half the selfishness that the possessors of the material things do in their use, we would be in absolute control.

Neither Rockefeller nor anyone else would then be knocking at the doors of Congress for a charter to dispense, at his or their will, of hundreds of millions of dollars squeezed from our common earnings. No few would then appropriate the material substance derived out of those earnings to determine, according to their prejudice, what use should be made of them.

The demand for our work is certainly not less than the demand for their material. But they control their material so much more selfishly than we control our work and energy that they command us with greater ease than we do them, notwithstanding that ours is worth more. Now, since that is true, an inquiry into the way we may use our energy to the best advantage is surely worth our thought. The manner in which we expend our energy is the ultimate test of the high cost of living.

In the management of our social and economic relations we are violating natural laws, and to that violation mainly the high cost of living is chargeable. It can be reduced only by an adjustment to natural law. Except for temporary causes that may temporarily cheapen the cost of living, living will in reality grow higher and higher until we comply with economic principles. Improved machinery and modern methods, if properly employed in production, would make the cost of living cheaper than ever, but, unfortunately, our industrial and commercial relations are not conducted on true economic principles. On the contrary, they are worked out in a circle, over and over, in zig-zag fashion, whereas they should be worked out in economic directness. Improved machinery and modern methods in the application of labor are exerted largely in duplication of labor and capital and in the production for future use. Proportionately more people now than ever before are employed in constructing for permanent use rather than for temporary necessities. I use the term temporary as applying to the practical necessities of the present generation.

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I attribute the high cost of living largely to the constantly increasing production for future use and to the increasing duplication of labor and capital. There are several primary causes of lesser importance and many resultant and secondary causes. All are involved in their consideration and require for explanation concrete examples.

While I can include in my remarks on the increasing production for future use only a few examples, the principle involves all labor and energy expended in present production for future use.

The idea of future use does not exclude all present use, for in the construction of canals, bridges, tunnels, grading, and buildings of a permanent nature they serve present use, but the construction bears its cost of remote future service as well. We have an example in the National Museum in this city of Washington. We practically use that building now, but the amount of energy lately expended in its construction is principally for the use of future generations.

The most notable example in the world of a single enterprise to convey the idea of present production for future use is the Panama Canal.

There were on the Canal Zone in January, 1910, employed directly and indirectly, 45,000 people, which, on the basis of family heads, would represent a population now supported by that enterprise of at least two and one-half times those so employed. To feed, clothe, and shelter these and furnish the machinery and supply material that goes into the construction and appliances with which the work is to be done, and which are produced elsewhere, requires a still larger number of people, and these, again, require food, clothing, and shelter, machinery, tools, and appliances with which to do their work, and what they use, too, must be produced mostly by still others; so that, all in all, the Panama Canal, which is being constructed wholly for future use, implies an expenditure of energy represented by several hundred thousand people, including their families.

In the city of Washington alone there are now 104 persons, exclusive of their families, engaged wholly in clerical work connected with that enterprise. The canal will serve no purpose whatever until it is completed, and, compared with the more remote future, little during the present generation. The Panama Canal, when completed, will be one of the world's greatest means of conservation, but for the present generation it is one of its greatest consumption dumps. We tax ourselves for that construction for the good of future generations. I know of no general objection to that great enterprise. Most people seem enthusiastic for it.

There is each year a proportionately increasing expenditure of energy in making permanent improvements on our rivers and harbors, on forts, in grading, tunneling through hills and mountains and under rivers, and bridging rivers. For example, the new tunnel-railway systems in New York City, approaching in cost \$500,000,000; the new Pennsylvania station, costing approximately \$90,000,000; the New York Central station and betterments, now building, to cost about \$50,000,000; the Metropolitan Life building, costing over \$20,000,000; four bridges alone, Manhattan, Brooklyn, Blackwell, and Williamsburg, cost \$72,000,000.

In a publication known as "King's Views of New York" the taxable property of that city is given as \$7,158,190,400, and property exempt from taxation is given as \$1,239,883,798. It is well known that the taxable value is seldom over one-half of the sale value. In the taxable valuation the greater part of personal property escapes. This increasing production has not ceased, for in New York City alone, says the same publication:

Engineering works to cost \$600,000,000 are now under way and others to the extent of an additional \$1,000,000,000 have been planned. The bringing to the city of 200,000,000 gallons of water a day from the Catskill Mountains involves building 12 reservoirs and a conduit 60 miles long, at a cost of \$161,000,000.

I read in their daily papers of April 5, 1910, that "Civic bodies have asked for \$800,000,000 for subways," and the papers further said, "1,000 citizens visited the city hall clamoring for the above." The people call for improvements that would ruin them if they were to increase in the next fifteen years in the proportion they have in the last fifteen.

So, it will be seen, that a still further increase in the cost of living may be expected unless new inventions for production can overtake the procession.

Nothing would more clearly demonstrate the effect of this increasing production for future use on the increasing cost of living than to print in the RECORD the views of fifty or more of the recent important structures in that city merely as an index to the thousands and thousands of others that have recently been and are now being constructed, and those in contemplation there and elsewhere in this country.

In calling attention to these I do not ignore the fact that there are thousands of buildings in New York City alone whose construction is of permanent character, designed to last centuries.

More people are now directly employed in building for future use than ever. There is agitation now in this capital city for many new permanent government buildings that would cost perhaps more than \$25,000,000, \$13,500,000 is included in the pending appropriation bill. It is said that the government rent account is so high that it would be cheaper to issue bonds and pay interest and have the Government own its buildings. Admitting that that may be a fact, the interest and rent accounts do not enter into primary causes, but are social conditions that I shall consider at another time.

The work on that class of improvements has required the continuous energy of largely increasing numbers of people. The product of that energy will serve future generations much more than it does the present. The work is of permanent nature, made by present energy, and those thus employed, the same as those engaged in the construction of the Panama Canal, require food to eat, clothing to wear, shelter, tools, and machinery with which to work, and all these must be produced by still others, and those so producing likewise require to be supplied by others again, and so on indefinitely. The number of people thus engaged, in proportion to the present population, is so far in excess of what it was in our previous development that it is a very material factor in connection with the increased cost of living.

The people of the present seem also to have gone insane on the construction of monuments, statuary, and the like. These are placed in our parks and public places. In our cemeteries are vaults, tombstones, and other monumental work requiring an amount of energy in construction far in excess of that employed in any earlier period, and it serves no economic end, and those who furnish this energy must be fed, clothed, and sheltered as others are.

I could furnish examples almost indefinitely of the great increase in energy employed now over earlier periods in the production of things for permanent use. It indicates clearly that we are living for a different purpose than we were twenty-five or thirty years ago. The increase has been enormous in the last ten years.

Duplication of labor makes an enormous addition to the cost of living. The railways early formed a system the effect of which was to rob the people of a part of nature's resources and advantages and to reduce their average earning capacity, thereby inflicting on them a general injury. The purpose of the railways in doing this was to force the payment to them of greater freight charges. They divided the country into distributing centers and called these terminals, giving to them preferential rates. I quote part of my speech on the new interstate-commerce bill to illustrate the point:

Seattle, Wash., is a railway terminal point and Spokane in the same State is not. The two cities are 400 miles apart on the line of the Northern Pacific Railway. When freight is shipped from such points as St. Paul, Chicago, and other eastern cities, to supply the Spokane market, it is subject to the railways' arbitrary terminal system. Solely on account of that system it is cheaper in many cases for the people in Spokane to have their freight shipped to Seattle and then back to Spokane than it is to consign it directly to Spokane.

For example, the freight on a certain class of goods from New York or Boston to Spokane is \$1.25 per hundredweight; to Seattle it is 95 cents. The freight back to Spokane is 26 cents per hundredweight. Thus it appears that on that class the freight from Atlantic coast terminals to Seattle and back again to Spokane is 2 cents less per hundredweight than it is to ship it directly to Spokane, and there are many other classes of which the same is true. The freight on class 1 from New York or Boston to Spokane is \$4.13 and to Seattle it is \$3. The freight from Seattle back to Spokane is \$1.35. On class 1 the railroads obtain 20 cents per hundredweight more for hauling to Seattle and back than they do for the direct haul to Spokane, and yet I have been reliably informed that on account of the physical conditions existing in the territory between Spokane and Seattle the cost of transportation to the railways between those points, 400 miles, the trip one way only, is fully 50 per cent of the cost from New York and Boston to Spokane, a distance of nearly 3,000 miles. The charge on agricultural implements from New York to Spokane is \$1.75 and to Seattle is \$1.25. I mention these merely as examples. By the railways' system of calling Seattle a terminal the absurdity of the duplication of labor and capital is made less apparent. That absurdity gives to Seattle an added wholesale trade that is naturally tributary to Spokane. The effect is that freight destined ultimately for Spokane from points East goes through the wholesalers at Seattle. Calling Seattle a terminal creates that absurdity, but nevertheless it is the railways' excuse for discrimination against Spokane. Sometimes the railways excuse themselves on the ground that they are competing with waterways, but they also practice like discrimination in favor of some cities in which there is no natural water competition.

Briefly stated, Spokane practically pays the total freight charge to Seattle, a longer haul by 400 miles, plus the return to Spokane, an additional 400 miles, the return being charged for on the short haul basis. Before the freight gets to Seattle from the East it passes through Spokane, where it belongs, and naturally should be switched for delivery to the ultimate consignees, thereby saving the round trip Seattle and return, 800 miles extra; but the railways, by the

subterfuge, have been and now are sending freight on to Seattle, from which point it must be returned. By doing that the ultimate consignees, in addition to paying extra freight charges, also pay warehouse expenses and handling through middlemen at Seattle. Now, then, picture the real facts: Almost innumerable engines have been, are, and will be attached to as many trains of 30 or more cars each, loaded with freight, ultimately destined for Spokane, on their way from the East, sidetracked at Spokane to let faster trains pass them there. Engineers, firemen, brakemen, and conductors are required with each of these trains. Think of these trains, all loaded with goods for use in Spokane, the very city from which they take a new start. There they are now, and have been in the past by the thousands, and will continue to be until the folly is stopped by sane legislation, which it is our duty now to enact. These trains are actually run on to Seattle. After reaching there, their freight has to come back over the same tracks and is again run onto side tracks at Spokane. They make that trip of 800 miles to satisfy greed.

The railways, by that process, are depleting the coal supply and unnecessarily and ridiculously using up the energy of men, all as a pretext to charge extra freight to the people tributary to Spokane. I do not mention Seattle and Spokane as exceptions. The system prevails generally in railway practice. Practically every town in the district I represent is unfairly discriminated against to the advantage of a few interests in larger cities elsewhere. The railways everywhere discriminate in favor of their selected terminal points, and against all other localities, thereby compelling millions of people to locate and settle at these various terminals who otherwise would have selected localities in which to settle determined by natural physical advantages.

The lawmaking power of this country has committed political blunder, I should say crime, in not regulating freight charges to meet natural conditions. The railways' present practice is no less than one of robbing and plunder. That is what this terminal discrimination amounts to, and we are paying the penalty in the shape of increased cost of living.

We can not dismiss the subject here, however, for the waste does not stop with the wanton consumption of labor, the burning of coal, the wear and tear of tracks, and so forth; but on account of the discrimination great numbers of people other than those mentioned are compelled to perform additional labor made necessary solely by the subterfuge of separating production and consumption by discriminatory rates designed for the purpose of securing the long haul. The long haul, where a short haul would do better, requires unnecessary side tracks to handle cars, unnecessary labor to keep them in shape, additional warehouses, and other expenses of maintenance, and in the terminal cities are required additional systems of street railways, additional middlemen, and other things too numerous to mention, just to take care of the additional burden on labor created by the partial terminal folly. All thus employed consume, and yet, in a primary sense, they are consuming nonproducers, for what they are forced to do is to maintain a system of ridiculous waste contrary to economic principles. But the loss of energy to the people whom I specifically name as thus employed does not stop there. They consume material that must be produced by still other people. Many of these are in other sections of the country, and the products of their work must be shipped to the points of consumption in exchange for money or goods to be shipped back to them. Therefore the railways again and again consume more coal and employ more labor, and then these so occupied again, and so on almost indefinitely. Labor otherwise would be employed in more economic production and would receive better pay. The railways thus selfishly secure several times the amount of business that they would if they gave the general public the benefit of natural economic conditions, for by the latter production and consumption would be in nearer proximity.

Without railway discrimination in their favor, cities with as large population as New York, Chicago, Philadelphia, and others of that class, would be impossible, with a general population of only 90,000,000. All our smaller cities would then be larger and the people everywhere more thrifty. It is impossible, even approximately, to determine what great injury this discrimination has caused the general public.

The consequence of that evil practice of discrimination is that the wholesale business centers, arbitrarily in certain cities, say, like in Seattle, which supply the territory that is naturally tributary to Spokane.

Mr. LINDBERGH. Certainly.

Mr. LINDBERGH. That may be, but I should say that God, even in His infinite power and wisdom, could not have anticipated, when He created man, that man, when clothed with the authority of a railway director, would by the subterfuge of long and short haul to distort the advantages of the physical conditions of the earth that it would be necessary to charge less for a long haul than for one 800 miles shorter on the same road and make that kind of practice the general system of the country, thereby depriving the people generally of the advantages of natural selection.

Mr. WEISSE. Would it not be an advantage, first, to get a real good regulation bill and take care of the American shipper before we start on the ocean to take care of foreign shippers?

Mr. KNOWLAND. I might call the attention of the gentleman to the fact that the minority of the committee have offered no substitute.

Mr. KNOWLAND. I mean on the railroad bill.

Mr. KNOWLAND. No; it is so good that they did not need to.

Mr. ADAMSON. Permit me to call attention to a thing which seems to be impossible to be understood by the gentleman from California, but something that is good in this bill should be the minority and the majority vote for the bill.

Mr. LINDBERGH Now, then, Mr. Chairman, passing over the inter-rogations of the gentleman from California and others, I call attention to this fact, that the gentleman from Texas [Mr. HARDY] has just made a very good and interesting speech; but when he says St. Louis is benefited by railway discrimination in its favor, I would suggest that only special interests in St. Louis get that benefit, for the rank and file of the plain people of that city, in common with the rest of us, pay for the discrimination in favor of a few interests there and elsewhere.

I noticed that Mr. James J. Hill, one of the greatest men in the country, not only as a railroad man, but generally a well-informed and profound thinker of sound judgment, recently said:

"The tonnage offered the railroads for transportation is constantly on the increase, and there is little doubt that the railroads will be called upon to furnish more transportation units than they have ever before been asked to furnish. From all indications it appears certain that by next fall or early winter the railroads will be totally unable to furnish anything like the amount of transportation facilities which will be demanded by the country."

No man knows better than Mr. Hill that the terminal discrimination system is one of the causes of the conditions to which he refers:

"That by next fall or early winter the railroads will be totally unable to furnish anything like the amount of transportation facilities which will be demanded by the country."

Of course Mr. Hill's statement, so far as his interests are concerned, is no complaint, but is a prediction of great fall and winter business. To those who can not get cars or transportation when the time comes, it will be a complaint.

The uneconomic conditions, created by discrimination in favor of the long as against the short hauls, are the cause of the trouble which Mr. Hill stated as likely to occur; but if Congress will so amend this bill that there will be no discrimination in favor of special interests in the railroads' selected terminals, and then provide that the bill shall take effect ninety days after its passage instead of six months, as now proposed by the bill, there will not be so many "units" required to take care of that extra 800 miles from Spokane to Seattle and back, and to cover like conditions that exist to greater or less degree in hundreds of other places. Of course it will take time to fully adjust to any change, but the adjustment would begin with the enactment.

It takes a great stretch of imagination to justify the hauling of freight from New York, Boston, or other Atlantic seaboard, through Spokane en to Seattle and back to Spokane for the people of Spokane, in order to compete with water navigation. Everybody out West, irrespective of whether they are financiers, rich or poor, in business in the city, village, or are farming, have great respect, and justly so, for Mr. Hill's opinions, and in the East the financiers especially respect his judgment.

No doubt, if the public could secure the unprejudiced judgment and services of Mr. Hill to fix rules by which to determine freight rates in the interests of all the people, he could do it fairly; but Mr. Hill is not specifically interested in fixing freight rates for the people. Neither is he specifically interested in securing to farmers and business men in small towns just and fair net returns for their energies. But what he is specially interested in is to see that the volume of business is enough to give the railways all they can do. He is intrusted by the stockholders of his systems, of which he himself is one of the greatest, with the responsibility of making that stock pay the highest possible dividends. He is the representative of those stockholders, and therefore he wants the farmers to raise plenty of crops, to be shipped long distances, and to buy lots of merchandise, to be shipped back to them from distant points to create much railway traffic.

We, as Members of this House, are intrusted with additional responsibility—that of securing the greatest common good to all the people—and we can accept of no stock arguments in opposition to that common interest. We can not accept of the false economy of permitting the smaller towns and the inland places generally to be discriminated against to the extent that makes it necessary for them to see the freight which they consign or which they receive passing beyond where it belongs to distant places and back as a mere subterfuge to avoid giving them the freight rates to which they are entitled, and to create larger towns than natural in remote places so as to get more and longer hauls.

We can not permit any rule that recognizes a right to discriminate, where the burden of the discrimination falls on the people.

Some one has suggested that charging less for long than for short hauls over the same road in the same direction, and so forth, benefits labor, because it gives additional employment. The suggestion convicts itself, for it implies doing more work than is necessary to be done to produce the best results. Certainly no good purpose can be served by hauling freight through and several hundred miles beyond, and then back to the place of its destination. To do that is but mockery on labor, and heaps on it the burden of maintaining cumbersome systems and compels laborers to work more hours per day and pay more for all the necessities of life. Labor bears the burden of production, and there can be no doubt that the best results are to be secured in its most economic application, and not in unnecessary duplication.

We are paying the penalty of railway discrimination in the shape of increased cost of living.

We should not forget that the effectiveness of machinery, guided by our increased knowledge in the application of our labor, reduces the energy cost of production very many times, and if it had not been for the additional advantages given to production by the use of machinery we would long since have found the present system intolerable. If labor had been employed in the use of all new machinery to the best advantage in economical development of our enormous natural resources, the net cost of production and of living would have been immensely decreased, and our advantages correspondingly increased. To illustrate the saving of energy, I call attention to the fact that when my father located at Melrose, less than fifty years ago, the distance from St. Paul was 145 miles by wagon road and is now 108 miles by rail. Freightage was then done principally by ox team. It would have taken 10 wagons, 40 oxen, and 5 men six days to haul 40,000 pounds of freight from St. Paul to Melrose.

To-day it would be placed in a small car and 60 of these attached to one engine, and with five men to operate the train.

they would make the trip in a day. There would be 12 cars to each man. The five men so applying their labor to the use of modern methods would haul sixty times as much in one day as five men under the old way did in six days.

One man, by the use of modern methods in the case referred to, now does three hundred and sixty times as much transportation per day as one man did with the old ox-team method. What becomes of the saving of energy? Who gets the advantages of it? The people of Melrose, for instance, do not now get their freight three hundred and sixty times cheaper than they did under the old ox-team system. A large part of this increased energy has gone into what we now term capital, controlled by few; part has served to increase our general conveniences and luxuries, enjoyed by us in different degrees.

That is an exceptional case, of course, but that improved machinery has added enormously to the productions of labor stands without challenge. That should decrease the cost of living, but is offset by expenses, interest, dividends, and so forth, to which I shall directly call attention.

Lately President Taft is reported to have said, "This is the automobile age." We shall have to plead guilty to the indictment if it was intended as such, for we are in the automobile business, not only literally, but figuratively as well, for everything is on the automobile scale; and taking the automobile to illustrate:

The labor department of the State of Michigan for 1909 reports the motor-car output for that year in that State reached the enormous figure of \$135,000,000 wholesale. Their pay roll alone showed that 27,996 men were employed directly in the production. In the city of Detroit the figures for labor and cost for the year, as appears in an article on the "Greatest Auto Town, Detroit," shows the progressing increase as follows:

Year.	Men employed.	Cars produced.	Value.
1907.....	4,452		
1908.....	8,430	18,260	\$23,595,000
1909.....	14,500	45,560	51,325,000
1910 (estimated).....	25,000	123,000	130,000,000

What the total output in that special industry in the entire country is I do not know. No other State equals Michigan, but undoubtedly the total of the others far exceeds the above figures. The life of an automobile is very short. It takes an army of chauffeurs to run them. The figures account for one year only, which show that even the Panama Canal in its consumption is small in proportion. We pay it all in the cost of living.

Without giving further examples, I wish to inquire from what source we get all this extra energy employed in the duplication of labor and capital, and in the production for future use? We realize that the effectiveness of labor has been increased many fold by the use of machinery. The increased production thus obtained has been absorbed principally in supplying the waste of energy, caused by the duplication of labor and capital, and in production for future use; but modern machinery and methods were not alone sufficient to meet this increased demand.

To meet the extraordinary demand for human energy, there has been a shifting of population from the country to the cities. People have left their farms to take up and do the increased work caused by the condition referred to. Immigration has supplied a part; but farmers have come in greater and in constantly increasing numbers to the cities to do all kinds of work, from the ordinary laborer to the most skilled artisan, and to fill the professions and business occupations in general. Most of our great men have come from the farm. Farmers seem to have considered that they were getting better pay and advantages by going to the cities. The cities, on the whole, appear to them to offer greater inducements. That is responsible for the increasing population of the cities over the country; but the tide will turn.

There were some things in connection with this change that the public failed to take notice of. No notice was taken of the fact that labor is not getting pay commensurate with the additional advantages afforded in the fuller and more complete use of machinery. Labor is led to believe that it is paid better now than ever, and as prima facie evidence of this capitalists point to our increased conveniences and luxuries.

The reason the remaining farmers have been able to supply their departing brethren with needed products from the farms was because of their use of improved machinery.

Suppose we had not wasted our energy in keeping up the long duplicating hauls, as illustrated between Spokane and Seattle, and suppose, too, that the population of the country had dis-

tributed itself according to natural selection, as it would have done excepting for the fact of the railways' discrimination, then our producers and consumers would be in nearer proximity. Cities of the size of New York, Philadelphia, Chicago, and others now overgrown, would have been much smaller, and their inhabitants more thrifty and happy, and that which is now their excesses would have been distributed over the continent from the Atlantic to the Pacific in obedience to natural laws.

Then all would have been more prosperous. Then modern machinery, with the better knowledge of application, would be applied to a production more directly connected with our present needs. We would now be getting better results, and we would not be using up our natural resources with such alarming rapidity.

The violation of natural laws to favor a few special interests is most alarming, and, unless we correct our present system, disaster ultimately awaits the Nation.

Conservation of our forests, of our coal, oil, and minerals, and of our water powers is now uppermost in the public mind; but, so far as I have been able to observe, the way to the best means for their conservation has not been considered.

The greatest service we can do ourselves and future generations is to establish transportation rates determined by the reasonableness of conditions. The transportation systems are the arteries of our commercial relations. To make freight rates that shall give to all localities and to all parties rates governed by the reasonableness of conditions, instead of by the absurdity of the railway terminal system and competition, will stop the excessive growth of the large cities, where most of the waste occurs, and will turn the people back to the smaller towns.

Producers and consumers will then be in closer proximity, and there will not be the waste in unnecessary hauling back and forth, as now. It will also reduce the production for future use. It will lessen our own burdens and leave future generations to come in on more natural conditions, and give them a chance to solve more problems suited to their times.

Those favored by terminal cities, no doubt, will contest the square deal to all localities. But the plain, industrious, intelligent people in these cities should not, for their best interests will be subserved by an all-around square deal.

Observe again that the farmers have gone to the cities for what seems like self-interest to them. Suppose self-interest should turn the tide back to the farms and villages. The terminal cities could not retain all their people if it became clear to them that they would be generally improved by a return to farms and smaller towns. If we make transportation rates meet natural conditions, the farms and smaller towns will rapidly improve. Those who found their lot satisfactory in the large cities would stay, and those who saw better opportunities elsewhere would emigrate to the places that looked best to them. That would improve those who remain as well as those who departed, and all would receive the advantages of the net decrease in cost of living. The change would be obeying a law of self-interest.

Labor has been overtaxed by the present methods. The more roundabout method used to employ labor the more labor is taxed to maintain intermediary agencies. All the burdens of production rest on labor in some form. It is the roundabout process, through a multiplicity of intermediary agencies, that has put the price of necessities so high that life is a serious problem to all who maintain themselves by daily toil.

Labor gets its best results from an economical distribution of employment rather than by creating additional work to be done, unless such work supplies actual necessities.

We can maintain several times our present population in prosperity equal to or, in fact, greater than the present if we conserve our natural resources and those created by labor and eliminate the work that absorbs, without creating, necessities.

When one knows the area of the United States and comprehends its vast natural resources and realizes that at first all of it was wild and most of it unoccupied and unclaimed, except as the public domain, it fills the measure of one's thought as to how, in the short period of our history, the transformation has been made from its wild state to the richest and busiest nation on earth. Orators have made use of the fact to deliver themselves of some great masterpieces. I would take from none his pride or enthusiasm for his country. We all love our American institutions, but we should not rest content with orations nor view with superficial eye the great wealth that has been accumulated out of natural resources and the people's energy without inquiring as to whether these are still intact for the continuing common good. It is not enough that in these we surpass all other countries, unless these are enjoyed in a general way by those who furnish the energy to make them and are guaranteed to continue for the common welfare.

Very little of the public domain is left. It is now vested in private ownership. It is said that 80 per cent of the wealth in America is owned and controlled by 3,000 estates, corporations, and individuals. Of the remaining 20 per cent, a considerable part is owned by other wealthy people and concerns. Time permits only a partial review of why so much property is vested in so few.

Great wealth has come from natural resources, coupled with production of labor. Under present adjustment, we require to use wealth and we pay interest and dividends on it, so the public domain and what labor produced is now vested in a few whom we pay for its use. How much we do not know, but we may approximate it. It is estimated by the Treasury Department that the corporation-income tax, if the law is held valid, will yield about \$30,000,000 the first year. One per cent on \$3,000,000,000 of their net earnings in excess of \$5,000. I can not state it authoritatively, but I have no doubt that the profits in interest and dividends on capital not subject to this tax exceeds that which is, and that the total interest and dividend charge per annum exceeds \$7,000,000,000. If we had controlled our public domain for our common welfare and had made rules regulating commerce and trade so that it would have adjusted to natural conditions, then the wealth would have been distributed among the people and we would not now be paying such enormous interest. If things are continued under present practice of compounding interest and dividends for the wealthy, our social system will crush under its own weight.

Distributing \$7,000,000,000 on all living, from the cradle to the grave, it is \$77 per capita. What happens to a husband and wife with five children under working age and two dependent parents, not an unusual family? Their burden would be \$693 per annum and still rising; but "cheer up, for the worst is coming."

In order to enable a few to get this vested wealth, a false system had to be established, permitted by the Government. The expense in energy to support that system dwarfs the \$7,000,000,000 interest and dividend accounts in comparison. All expense is charged before interest is computed. If it was seen by us, if we had it in our hands and then paid it, we would realize and be in more haste to correct the evil, but those who cornered the wealth knew that, and by indirection keep most of us blind to the fact.

The rules by which we are governed make it as effectually a charge against us as if we executed and delivered an enforceable mortgage upon our persons. It compels us to work more hours per day. Before our wages are fixed they are reduced by the calculation. What we buy costs us more.

We permitted the Government to be loosely conducted and allowed the forests, minerals, and other primitive wealth to get under exclusive control. Those in control charge all we can stand for the things we must have. For the most of us the limit of our capacity to pay determines the price. In the place of values being governed by relation, they are arbitrarily determined by force of circumstances within control of the interests.

These demand us to be content with our prosperity, and cite the fact that we enjoy more luxuries, live better than ever. They say no other country has such prosperity. I do not deny that. My inquiry is, Do we obtain our natural advantages? I say we do not. Every advancement made by civilization is due to add to our common welfare. If not, then the word advancement is a misnomer.

Consider what machinery has done in the way of increasing production. Within the period of our country's history new inventions enable one man to produce many times more than a man could at the beginning of our national career.

This increased production is one of the reasons why we have been more prosperous as time has advanced; but if the surplus increase continues to concentrate in the hands of few, and the necessities of the people, by reason of their increased numbers, shall become greater, and those who control the necessities shall be permitted to increase the price in proportion to the increase in necessity, then we are certain to reach the crashing point.

Another reason why we have been more prosperous than other countries is that our primitive resources were the inducement to people to come from all parts of the world to make this their home and join us in the country's development. We have left to the old countries their aged and decrepit. They have nursed their youth from the cradle to the full strength of manhood and womanhood, and then their young men and women have come developed sufficiently to immediately become a part of our producing energy. We have not expended our Public Treasury for their education. Nor was our time expended in making them self-sustaining. It would have made a difference in our progress if fifty years ago immigration had ceased. It would have made still more difference if somewhere else on this globe we had

been another continent that offered to our young men and women much better inducements than our own, thus inducing them to emigrate. That was the condition with which the old nations had to contend. To justify our prosperity as sufficient because it is greater than in these old countries is evading the consideration of our natural advantages.

We have permitted some to come who have not made desirable citizens, but until recently comparatively few such have come, and such are a mere fraction. No careful student denies that a part of the prosperity we boast is due to the immigrants who have come in the full vigor of youth to join us in our industry.

Our prosperity is not so much the result of wise government as it is due to natural conditions over which legislation has exercised no control; but, on the contrary, by the failure has permitted certain interests to acquire exclusive control of the resources, and that control has limited our progress and put up the price of our necessities.

Discriminating freight rates in favor of the railroad centers have created abnormal conditions, extravagance, and over-development in those centers. It has been a great tax on human energy. The energy had to be drawn from the country principally. Farms and villages have been deprived of a large part of their natural advantages. In no way could the work in the cities be done without drawing from the country, so the railways sacrificed the country for the cities.

So many are now engaged in the production of the things that are not consumed by the people in general that not enough of us are left to produce what we do consume. The cities may continue a while longer their enormous outlays and expenditures of our resources, but the limit for the good of the country has passed, and, the sooner we realize that we are moving in the wrong direction, the course of the population will be turned back to the farms and villages. That will be true conservation and make a more prosperous land and happier people.

Back to the farms and villages is the remedy for most of the serious commercial and industrial evils so much complained of. We can not adjust while the railroads charge more for short hauls than for long ones. We require honest, fair, impartial rates everywhere.

We desire to be as free from government as is consistent with our common welfare, but we must have that amount of government that will enable us to pursue a means of living that saves us from industrial bondage to selfish interests.

This is becoming more and more a world of trade. We started with a large continent, rich beyond description, with natural resources, owned by the people. It was important to make these natural resources promote general industry, and to secure equal opportunities for the continuing common good. That required wise political management, and the Constitution was framed as the guiding rule. Politics is implied, and we must, in its study, consider human nature and take it for what it is.

Moral force will ultimately work all things to good, but we must furnish that force. We can save a lot of energy by doing it now.

In form this is a representative government. No country has a better code. It rests on a good Constitution. The Declaration of Independence states that "All men are and of right ought to be free and equal." The Constitution was made to guarantee that, but I need not state to an intelligent audience that it has not made them so. We have relied upon the purposes of the Constitution without careful development on its basis.

In our administration we require judgment and must administer with our faults known and regulated. What do we understand by representative government? We are said to be a government by parties. Parties must have their origin in well-defined moral policies in order to enlist public support. It is known that when a political policy is established it is assumed to continue, but the enthusiasm in its establishment subsides and is followed by apathy. Then bosses see their chance. They get in on the moral sentiment following the success of a party in its first great purpose. A few, obtaining control under those conditions, have supported a determined set of men, who have played a "sure-thing big game" at the public expense. The game was never played stronger than it is now and the cost of living was never higher. There is the most desperate effort to choke down the people. There never was a time when the people needed to take control more than now.

Bosses interpret platforms, statutes, and constitutions in the interest of a few who prosper by their special favors. By what right is this done? Their cry is, "Majority shall rule"—a catchy sentence, so they wink at each other and give it their own interpretation, exemplified in the way Congress has been run.

Say we have 90,000,000 people, and 45,000,001 is a majority, and might have 196 Representatives out of 391. The boss "ma-

majority rule" excludes 44,990,000 who may have in Congress 195 Members. The bosses call a caucus of the 196, of which 99 is a majority, so 97 more may be eliminated. The 97 represent over 22,000,000 people, but, going to caucus, forfeit their vote. The caucus decides for them. The "boss caucus," which is not a constitutional body, by boss rule is greater than Congress, which is the people's constitutional body. So even at this stage 72,000,000 out of the 90,000,000 people are deprived of representation. It means that 99 Members may control a minority of the majority and then the House. They not only control the 196 Members, but also the 195. By boss rule 99 can dominate the other 97 and the 195, in all 292.

If it stopped there, 18,000,000 people would still be represented, but the special interests would not want that many to deal with, so to control the 99, the House is divided into over 50 committees. To be chairman of any is considered desirable, because it gives additional clerk hire and perquisites, and gives influence with Members generally who desire to secure favors from the committees. Forget not that there are over 50 of these. The Speaker appoints committees and their chairmen, except the Rules Committee, over which a great battle was lately fought and his power to appoint that committee taken away.

Now, the 50 chairmen serving the Speaker is not a sure control of the whole House. To make sure requires 99. So to safeguard that, on each of the 50 committees are as many ranking members, all of whom hope to become chairmen in a following Congress. These do not often think of displeasing the Speaker, who could deprive them of promotion, so they, too, assume that they are under obligations to the Speaker more than to their constituents. They are a part of what constitutes the Speaker's "majority rule." To still further fortify the Speaker's power, it is called an honor to be a member of any rank on several of the important committees. So the Speaker has all the power he needs to control Members who consider themselves of more importance than the people's welfare. But the Speaker has still more power, for Members without rank know the Speaker may give them rank, so many of them seek to serve him rather than the people.

The plan goes further. The special interests try to make us believe that if a public servant appoints another public servant the latter is under greater obligations to the person appointing him than to the public, which pays the salary of both. There is neither truth nor honesty in the presumption, but if the special interests can make the public believe in the so-called "obligation" of Members to the Speaker for his favors, then by that obligation the Speaker is made boss of the House.

The present Speaker has ruled with an iron hand. Whenever any Member, chairman or other, has voted in a way to displease him, he has not hesitated to administer punishment by lowering the Member's rank upon committees or taking him off. By that process the Speaker himself was the boss "majority rule." That is what the bosses mean when they say "The majority shall rule."

In the present Congress, on one occasion, 59 Members by caucus controlled the whole 391 in the House. There were at the caucus 116. Fifty-nine voted for and 57 against a proposition. The 59 made a provision, and then the caucus resolved that the House should pass a gag rule to prevent amendments.

The action of the caucus was not, as to the subject-matter there considered, wrong, but the "party whip," the weapon of the bosses, forced a gag rule through the House that compelled the House to either reject or accept of the dictation of the 59 without amendment. The House was ready to vote an amendment that would have improved the bill, but Congress lost its power by the action of the unofficial caucus. By that system we have lost our hold on the Government, and through it the people's rule has been forfeited. Time does not permit me to describe its worst abuses.

Unseen and out of sight, through this system the most vital interests of the people are sacrificed. The great House of Representatives, designated as the people's direct voice in legislature, has been subverted to the will of one man. It is in protest to the evils growing out of that practice that the insurgents are making their fight. And when I say insurgents, I mean the people, for the public sees what it has lost and is losing through boss politics, and it is not conceivable it will permit it to continue.

The interests use the party organization while it has power, and when the people object and vote to give another party control, then the interests use the organization of that one. The remedy is to insurge against the organization of the interests. Insurgents have voted on the merits of bills and by doing so the interests have been in dire straits on several occasions, but rescued themselves by calling upon Tammany Democrats to re-enforce the House organization. When there are insurgents enough to make that possible, then not only will the Republican party be freed from predatory organization, but other parties also.

It is as certain as one day follows another that we can not have lasting prosperity with the management of the Government controlled in the interest of a few. The people's common interest must rescue them from the increasing burden of predatory wealth. They must control their own government in the common interest for the protection of personal liberty as well as property interests.

The remedy for the increasing high cost of living is simple enough. It requires no great amount of learning to point out many ways to overcome that if the application would be made. But we have a condition to meet, and as long as the plain producing people of this country leave that condition to be controlled by political bosses the cost of living will not decrease. If the government administration was run in the interest of the people instead of in the interest of a few, the cost of living would decrease with each new improved invention and with the increase of knowledge, but instead of these decreasing the cost of living, they have been seized on as the means to increase it, and will continue so, and the only advantage we get in general is some increased luxuries.